

REQUIREMENTS RELATING TO OFFERS OF RESCISSION

The Offer of Rescission shall be in writing, be dated, and:

- (1) Recite Section 410 of Act 265, Public Acts of 1964, as amended, in its entirety.
- (2) Identify the security and state the reason under Section 410 for the offer of rescission.
- (3) Offer to take the securities back and refund the total amount of consideration paid together with interest at 6% per year from the date of payment, less the amount of any income received on the security.
- (4) Set forth that the purchaser may, in writing, accept or refuse the offer within 30 days after he has received it. The letter shall contain a boldface statement: **FAILURE TO RESPOND AND ACCEPT THIS OFFER WITHIN 30 DAYS OF RECEIPT SHALL CONSTITUTE A DENIAL OF THE RESCISSION OFFER. ACCEPTANCE OR REJECTION OF THE OFFER SHALL NOT BE BINDING UNTIL 48 HOURS AFTER RECEIPT BY THE OFFEREE. SUCH A DENIAL SHALL LIMIT YOUR RIGHTS AGAINST THE SELLER OF THIS SECURITY AS PROVIDED BY SECTION 410(e) AS STATED IN THE STATUTORY LANGUAGE SET FORTH ABOVE.**
- (5) If the security has an established market, set forth the fair market value of the securities on the day the offer is made, consisting of the most recent bid and ask prices or the last quotation on listed securities. The market value must be given whether more or less than the price at which the securities were sold.

If the securities do not have a market, so state.

- (6) Contain only such further information as the Office of Financial and Insurance Services may in special cases require or permit.
- (7) Bear the signature of the seller, the officer of the corporation, or partner, as the case may be.
- (8) After the signature, set forth the following:

I wish to return the securities and obtain a refund as mentioned above.

Date

Signature of Purchaser

I wish to retain the securities and do not wish to obtain the refund mentioned above.

Date

Signature of Purchaser

- (9) Be accompanied by a prospectus, setting forth full information about the financial and business condition of the issuer and the financial and business risks associated with the retention of the securities.
- (10) Substantiate that the issuer has the ability to fund the offering.
- (11) The letter and prospectus shall be mailed to each purchaser.

(12) Fifteen (15) days after the offers of rescission have expired the results of all such offers shall be reported to the Office of Financial and Insurance Services as follows:

RESCISSION REPORT				
Name and Address of the Issuer:				
Name and Description of the Securities:				
FOR ALL PURCHASERS SHOW THE FOLLOWING:		FOR ALL PURCHASERS TO WHOM RESCISSION OFFER MADE, SHOW THE FOLLOWING ADDITIONAL INFORMATION:		
Name and Address	\$ Amount of Purchases	\$ Amount of Purchases on which Rescission Offer Made	\$ Amount of Rescission Refund	Date Refund Paid



Michigan Department of Labor & Economic Growth

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